

CONFIDENTIAL

2 October 1962

MEMORANDUM FOR THE RECORD

**SUBJECT: Meeting with Representative Wilbur D. Mills (D., Ark.)
on 1 October 1962**

1. Apparently the Director was urged by George Ball of the State Department to present an intelligence view of the effect of deleting Poland and Yugoslavia from most favored nation treatment in the proposed trade bill, H. R. 11970. The Director, accompanied by John S. Warner, met with Representative Wilbur D. Mills on this subject. Mr. Mills immediately pointed out that it was too late to do anything on this matter, that the Conference Report has been completed and the conferees discharged. He stated he had informed the President that to attempt changes at this late stage would endanger the entire package and it was really a question of whether or not the Administration wished a trade bill.

2. By way of explanation of some of the problems in the past, Mr. Mills pointed out that as far back as 1958 the Committee had written laws to prohibit action with Poland as a Communist-dominated country but that the Department of State had flouted the intent and very words of the law. Consequently, the wording had been tightened up since if the Department were able, as they did, to work with Poland then presumably under the old wording they could extend the principle to any other satellite country such as Czechoslovakia, Hungary, Bulgaria, etc. Further, the House language has been in the present form since May of this year and there was plenty of time to make appropriate representations. He added that just recently he had been

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informed that there was an old treaty going back to the 1800s with Yugoslavia and, under the treaty, a year would elapse before the proposed law would take full effect and, consequently, this could be looked into again early next session.

3. Mr. Mills stated he would be most happy to discuss this with the Director on its merits but was adamant that a major factor in the situation was the fact that the Department of State had not leveled with the Committee. The DCI indicated, of course, that from an intelligence viewpoint maintaining "ears" in these two countries was most important. Mr. Mills said he could understand this but it was simply too late to take any action at this stage. The Director said he would like to submit a memorandum for the information of the Chairman and other members and at a later date, if the subject is being reconsidered, he would like personally to talk with Mr. Mills. Mr. Mills indicated he would be glad to do this at any time.

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cc: DD/1
EXEC. DIR.

JOHN S. WARNER
Legislative Counsel

OGC/LC:JSW:mks

Leg. C. Subject
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